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Illinois Tool Works, Inc v Pendaftar Cap Dagangan (M)

HIGH COURT (KUALA LUMPUR) — ORIGINATING MOTION NO D5(IP)25–263 OF 2008
RAMLY ALI J
1 APRIL 2009

Trade Marks — Application for registration — Distinctiveness — 'HIGH TEMP RED' — Whether invented word/mark — Whether considered one word — Whether one singular mark bears no meaning — Whether covert and skilful allusion permissible in law — Whether trademark distinctive and registrable — Trade Marks Act 1976 s 10(1)(c)

Trade Marks — Registration — Application for registration of trademark — Statutorily advertised and gazetted for registration — Removal from Register of Trade Marks on grounds of error — Error discovered after advertisement/gazette without any representation by third party — Registrar's discretion — Whether acceptance could only be withdrawn before registration of trademark — Whether registrar acted ultra vires legal provision — Whether procedural requirements adopted by registrar — Trade Marks Act 1976 ss 10, 25(12)

The appellant was appealing against the decision of the registrar of trademarks in rejecting the registration of the appellant's trademark application No 02005832 (in Class 17) notwithstanding that the registrar had earlier accepted the said application for registration. The registrar had formally examined, approved, advertised and gazetted the appellant's trademark 'HIGH TEMP RED' for registration. The certificate of registration for the applicant's trademark was in fact issued but was not delivered to the appellant. The registrar later decided to withdraw the registration of the appellant's trademark registration purportedly on the grounds that the registrar had made an 'error' and accordingly issued an objection via Form CD 70. The appellant was not satisfied with the said decision and hence the present appeal. The appellant prayed for the following orders: (i) that the registrar's decision in rejecting the appellant's application for registration of trademark be set aside; (ii) that the appellant's said application for registration of trademark be allowed and registered in the Register of Trade Mark; and (iii) that the registrar, upon being served with this order, continue with the registration of the said trademark pursuant to reg 75 of the Trade Marks Regulations 1997.

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Held, allowing the appellant's appeal with no order as to costs:

(1) The registrar's discretion under s 25(12) of the Trade Marks Act 1976 can only be exercised at the time 'after the acceptance of an application for registration of the trademark but before the registration of the said trademark'. In other words an acceptance can only be withdrawn before the registration of the trademark. Any exercise of this discretion by the registrar outside the scope of the provisions is considered as ultra vires the legal provision and can be declared as legally null and void (see paras 16 & 18).

(2) Full details of the error discovered by the registrar must procedurally be communicated in writing to the appellant and the appellant must be offered an opportunity to respond in writing. There was no evidence in the present case to show that such procedural requirements had been effectively adopted by the registrar, thus making the registrar's exercise of discretion not upon 'judicial principles' (see para 22).

(3) The appellant's trademark 'HIGH TEMP RED', at most, was a covert and skilful allusion which was permissible in law. It was at most a figurative or fanciful suggestion which was not objectionable. There was no definite indication that the appellant's mark indicated a silicone for a gasket, cork, felt and asbestos. Therefore the registration of the appellant's trademark was not objectionable (see paras 37 & 44).

(4) The appellant's mark was distinctive of the appellant. It did not describe its goods and was not descriptive in any trademark sense. Further it was peculiar and odd and rare if not an uncommon mark. There was no evidence adduced by the registrar to show that the mark was commonly used or could be understood by the public at large as descriptive of silicone for asbestos, cork, gasket or felt (see para 64).

(5) If the appellant's current trademark application for 'HIGH TEMP RED' which had already been registered in another trademark registration to the appellant was refused for registration, it would set an unhealthy precedent, arbitrariness and create more uncertainties and inconsistencies. This particular refusal by the registrar of the appellant's current trademark ought to be corrected on the facts of this case (see para 80).

[Bahasa Malaysia summary

Perayu merayu terhadap keputusan pendaftar tanda dagangan yang menolak pendaftaran tanda dagangannya, permohonan No 02005832 (dalam Kelas 17) walaupun pada mulanya pendaftar menerima permohonan tersebut untuk pendaftaran. Pendaftar tersebut telah memeriksa dengan rasmi, meluluskan, mengiklankan dan mewartakan tanda dagangan perayu 'HIGH

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TEMP RED' untuk pendaftaran. Sijil pendaftaran bagi tanda dagangan perayu telah dikeluarkan tetapi tidak dihantar kepada perayu. Pendaftar kemudiannya memutuskan untuk menarik balik pendaftaran tanda dagangan perayu atas alasan bahawa pendaftar telah melakukan kesilapan dan mengeluarkan bantahan menerusi Borang CD 70. Perayu tidak berpuas hati dengan keputusan tersebut dan memfailkan rayuan ini. Perayu memohon perintah-perintah berikut: (i) bahawa keputusan pendaftar menolak permohonan perayu untuk pendaftaran tanda dagangan diketepikan; (ii) bahawa permohonan perayu untuk pendaftaran tanda dagangan tersebut dibenarkan dan didaftarkan dalam Daftar Cap Dagang; dan (iii) bahawa pendaftar, apabila diserahkan dengan perintah ini, meneruskan pendaftaran tanda dagangan tersebut berikutan dengan peraturan 75 Peraturan-Peraturan Cap Dagangan 1997.

Diputuskan, membenarkan rayuan perayu tanpa perintah untuk kos:

(1) Budi bicara pendaftar di bawah s 25(12) Akta Cap Dagangan 1976 hanya boleh diguna pakai apabila 'after the acceptance of an application for registration of the trademark but before the registration of the said trademark'. Dalam erti kata lain, penerimaan hanya boleh ditarik balik sebelum pendaftaran tanda dagangan. Sebarang budi bicara oleh pendaftar yang dilaksanakan di luar skop peruntukan tersebut dianggap sebagai ultra vires peruntukan perundangan dan boleh diisytiharkan batal dan tidak sah di sisi undang-undang (lihat perenggan 16 & 18).

(2) Butiran penuh kesilapan yang ditemui oleh pendaftar mestilah, secara prosedurnya, disampaikan kepada perayu secara bertulis dan perayu mesti diberi peluang untuk menjawab secara bertulis juga. Tiada keterangan dalam kes ini yang menunjukkan kehendak-kehendak prosedur tersebut telah dipatuhi oleh pendaftar, maka menjadikan budi bicaranya bukanlah atas dasar 'prinsip-prinsip kehakiman' (lihat perenggan 22).

(3) Tanda dagangan 'HIGH TEMP RED', merupakan kilasan yang terselindung dan penuh kemahiran yang dibenarkan oleh undang-undang. Tanda dagangan itu hanyalah merupakan kiasan atau khayalan yang tidak menimbulkan rasa yang tidak menyenangkan. Tiada tanda pasti bahawa tanda perayu membayangkan silikone untuk gasket, gabus, felt dan asbestos. Oleh itu, tiada sebab untuk membantah pendaftaran tanda dagangan perayu (lihat perenggan 37 & 44).

(4) Tanda perayu mempunyai ciri-ciri tersendiri perayu. Tanda tersebut tidak menggambarkan barangannya dan tidak diskriptif dalam erti kata tanda dagangan. Malah, tanda tersebut pelik dan aneh dan luar biasa. Tiada keterangan yang dikemukakan oleh pendaftar menunjukkan

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bahawa tanda tersebut biasa digunakan atau difahami oleh orang ramai sebagai diskriptif silicone untuk asbestos, gabus, gasket atau felt (lihat perenggan 64).

(5) Jika permohonan tanda dagangan perayu untuk 'HIGH TEMP RED' yang telah didaftarkan dalam daftar tanda dagangan yang lain ditolak untuk pendaftaran, ia tentunya akan memberikan contoh yang buruk, menunjukkan cara yang sewenang-wenangnya dan mewujudkan ketidakpastian dan tidak konsisten. Penolakan untuk mendaftarkan tanda dagangan perayu ini oleh pendaftar harus diperbetulkan atas fakta-fakta kes ini (lihat perenggan 80).]

Notes

For cases on distinctiveness of trademark, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2183–2184.

For cases on registration of trademark, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2165–2185.

Cases referred to

Alfred Dunhill Limited's Trade Mark Application [1982] RPC 145 (refd)

An application by the Diamond T Motor Company to (Registrar A Trade Mark (Diamond T case) (1921) 38 RPC 373 (refd)

Bata Ltd v Sim Ah Ba @ Sim Teng Khor & Ors (Trading as Kheng Aik Trading) [2006] 6 MLJ 445; [2006] MLJU 237, CA (refd)

Eastman Photographic Materials Company v Comptroller-General of Patents, Designs and Trade Marks (1898) 15 RPC 476, HL (refd)

Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia [1998] 4 MLJ 105; [1998] 4 CLJ Supp 24, HC (folld)

Philippart's Trade Mark (1908) 25 RPC 565 (refd)

Mark Foy's Limited v Davies Coop and Co Ltd (Tub Happy case) (1956) CLR 90, HC (refd)

Re Garett's Application (Ogee Trade Mark) [1916] 1 Ch 436, CA (refd)

'Scotsman' Trade Mark [1965] RPC 358 (refd)

Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd [1976] RPC 511, HL (refd)

Stanwal TM (1918) 35 RPC 53 (refd)

The matter of a Trademark of Keystone Knitting Mills, Ltd (1928) 45 RPC 421 (refd)

W and G Du Cross Ld Application (1913) 30 RPC 660 (refd)

Legislation referred to

Trade Marks Act 1976 ss 10(1), 10(1)(a), (b), (c), (d), (e), (2A), (2B), 19(1), 25(12), 30(1)

Trade Marks Regulations 1997 regs 29, 30, 75

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PC Kok (HK Ong with him) (PC Kok & Co) for the appellant.
Rashidah Tridha Sheikh Kalid (Legal Officer, Intellectual Property Corporation of Malaysia) for the registrar.

Ramly Ali J (now JCA):

[1] This is an appeal by the appellant, Illinois Tool Works, Inc against the decision of the Registrar of Trade Marks, Malaysia ('the registrar') in rejecting the registration of the appellant's Trade Mark Application No 02005832 (in Class 17) notwithstanding the registrar had earlier accepted the said application for registration.

[2] This case involved a situation which had taken place since 2002 where the registrar had formally examined, approved, advertised and gazetted the appellant's trademark for registration. It was also understood that the certificate of registration for the applicant's trademark was in fact been issued but was not delivered to the appellant. The registrar later decided to withdraw the registration of the appellant's trademark and issued an objection via Form CD 70 dated 30 March 1996.

[3] In the present case the appellant prays for the following orders:

(a) that the registrar's decision dated 28 July 2008 in rejecting the appellant's application for registration of trademark (No 02005832 in Class 17) be set aside;

(b) that the appellant's said application for registration of trademark (No 02005832 in Class 17) be allowed and registered in the register of trademark; and

(c) that the registrar, upon being served with this order, to continue with the registration of the said trademark (in Class 17) pursuant to reg 75 of the Trade Marks Regulations 1997.

BRIEF FACTS

[4] The appellant is a Fortune 200 company, founded in 1912 and had more than 90 years of history. It is listed on the New York Stock Exchange and has 750 business entities in 49 countries including Malaysia.

[5] The appellant had been using many brands and trademarks in its course of trade, one of which is 'HIGH TEMP RED' (the subject matter of the present application). The appellant had used this trademark in Malaysia since 1999 until today. The appellant had sold its products 'silicone to be used as

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a gasket replacement on engine parts and used to replace cork, felt, asbestos and rubber gasket' using the said trademark to its Malaysian distributor (Cathay Motors Sdn Bhd). Cathay Motors would then resell these products to various retailers and customers in Malaysia.

[6] As the appellants subject business was increasing with popular demand and recognition from Malaysian customers and members of the public the appellant decided to file for registration of their trademark 'HIGH TEMP RED' the said goods. This trademark was filed on the 21 May 2002 and was given the number 2002–05832.

[7] Having taken 1 1/2 years to formally examine the appellant's trademark application, the registrar finally found the appellant's trademark complied with all requirements of the Trade Marks Act 1976 including s 10(1) thereof, and thereafter, on the 10 November 2003, the registrar issued Form CD29 to officially notify the appellant that its trademark had been accepted for registration and will be advertised and gazetted.

[8] Indeed, the registrar proceeded to advertise and gazette the appellant's trademark for registration on the 26 May 2005 in *Warta Kerajaan Persekutuan, 26 May 2005, Jil 49, No 11 Tambahan No 4, 12398*.

[9] There was no opposition filed by anyone or any member of the public or any trader from the relevant trade and industry (silicone industry) opposing the registration of the appellant's trademark, during the two months opposition period. It was understood that a certificate of registration was issued but not delivered or sent to the appellant.

[10] Then, strangely, the registrar issued a letter (Form CD70) dated 30 March 2006 to the appellant retracting the registration of the appellant's trademark, purportedly pursuant to s 25(12) of the Trade Marks Act 1976 on the grounds that the registrar had made an 'error'. The registrar then cited new objections under s 10(1) of the Trade Marks Act 1976.

[11] The Kuala Lumpur High Court had in fact on the 12 July 2005 via Suit No D8–24–232 of 2005 declared that the appellant's trademark 'HIGH TEMP RED' as distinctive of the appellant and granted a trade description order in favour of the appellant.

[12] It must also be noted and emphasised that the registrar had earlier, prior to the present application, registered the very same mark 'HIGH TEMP RED' in Class 1 for related goods (epoxy glues and silicone for general bonding and repair purposes). This trademark registration is 02005833.

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[13] As the appellant was not satisfied by the decision of the registrar, the appellant was asked to request for hearing before the registrar and a hearing was finally held on the 21 November 2007. The registrar then delivered his decision on the 28 July 2008. Having perused the decision made by the registrar, the appellant was not satisfied and hence the present appeal.

EXERCISE OF THE REGISTRAR'S DISCRETION

[14] The registrar's decision to reject the appellant's application is based on the provisions of s 25(12) of the Trade Marks Act 1976. According to the registrar's letter dated 30 March 2006:

> Sila maklum bahawa setuju terima bertarikh 10.11.2003 telah dikeluarkan dengan silap dan diterima balik di bawah seksyen 25(12) Akta Cap Dagangan.

[15] Section 25(12) of the Trade Marks Act 1976 provides as follows:

> Without prejudice to subsesction (10) where after the acceptance of an application for registration of a trade mark but before the registration of a trade mark the Registrar is satisfied:
>
> (a) that the application has been accepted in error; or
>
> (b) that in the special circumstance of the case the trade mark shall not be registered or shall be registered subject to additional or different conditions or limitation,
>
> the Registrar may withdraw the acceptance and proceed as if the application had not been accepted or, in respect only of a trade mark which shall be registered subject to additional or different conditions or limitations, reissue a new acceptance to additional or different conditions or limitations.

[16] It must be noted that the registrar's discretion under s 25(12) of the Act can only be exercised at the time 'after the acceptance of an application for registration of the trademark but before the registration of the said trademark'. In other words an acceptance can only be withdrawn before the registration of the trademark.

[17] As correctly decided in the case of *Alfred Dunhill Limited's Trade Mark Application* [1982] RPC 145. 'In such a case it would be most undesirable, it seem to me, if the registrar, instead of objecting the application, formally accepted it and then after advertisement, refused to register it under the provisions of s 19(1)'. The registrar's refusal in the present case in 'most undesirable' and should be avoided.

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[18] Any exercise of this discretion by the registrar out side the scope of the provisions is considered as ultra vires the legal provision and can be declared as legally null and void.

[19] The registrar's exercise of discretion under s 25(12) of the Act is guided by his own manual namely: '*Manual of Trade Marks Law & Practice in Malaysia* (2nd Ed, 2003)'. The relevant part of the manual is paras 15.6 and 15.7 which states as follows:

> 15.6 The discretion is thus seen to be a judicial one. As Younger J said in 'Stanwal TM' (1918) 35 RPC 53:
>
> > The discretion must be exercised upon judicial principles and affected neither by caprice nor over caution.
>
> Another helpful passage is the following from Cross J in 'Rawhide TM' [1962] RPC 133:
>
> > All members of the Court of Appeal held that the registrar had a general discretion to refuse to register a trade mark which satisfied all the positive conditions laid down by the Act. But though the registrar in exercising his discretion is not, I think, limited to any particular type of consideration, he must exercise it judicially on reasonable grounds which are capable of being clearly stated. A vague feeling of distaste for the applicant or his methods of business cannot justify a refusal to register a mark which satisfies the conditions laid down in the Act.
>
> 15.7 It may be added that a feeling of distaste for the mark itself would not suffice for the adverse exercise of the Registrar's discretion …

[20] In the present case, it is not in dispute that the registrar had said that it had made an 'error' on 30 March 2006 via its Form CD70. It is also not in dispute that the registrar had never clarified what was the 'error' all about; and it is also not in dispute that the appellant's trademark was statutorily advertised and gazetted for registration on 26 May 2005. It is the registrar's case that there was no representation by a third party. In other words, according to the registrar he had only discovered about the purported error after advertisement/gazette without any representation made by a third party.

[21] According to the registrar's own manual if the error comes to light after advertisement, otherwise than as a result of representation made by a third party, the late objection will be communicated in writing to the applicant who will be offered opportunity to make response in writing and thereafter a hearing confined to the new matter, to be requested within the

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time prescribed in accordance with regs 29 and 30, according to the nature of the objection (see para 15.34(b), (c) of the manual).

[22] In the present case, there is no evidence of any representation made by a third party. Therefore full details of the error discovered by the registrar must procedurally be communicated in writing to the appellant and the appellant must be offered opportunity to make response in writing. No evidence in the present case to show that such procedural requirements had been effectively adopted by the registrar, thus making the registrar's exercise of discretion not upon 'judicial principles' as suggested by Younger J in *Stanwal TM* (1918) 35 RPC 53.

[23] Therefore, on this procedural ground alone, the court is satisfied that the registrar's decision dated 28 July 2008 in rejecting the appellant's application for registration of trademark (No 02005832 in Class 17) should be set aside.

[24] The appellant also prays for an order that the appellant's application for registration of the said trademark (No 02005832 in Class 17) be allowed and registered in the Register of Trade Marks.

[25] For this purpose, the court shall now consider the said application on merit.

[26] The registrar cited ss 25(12) and 30(1) of the Trade Marks Act 1976 as sources of its powers to exercise discretion in rejecting the appellant's application in this case. Section 25(12) empowers the registrar to withdraw the acceptance of an application for registration of a trademark if the registrar in satisfied, inter alia, that the application has been accepted in error. Under s 30(1) of the same Act, the registrar cannot register the trademark, if the application has been accepted in error.

[27] The words 'accepted in error' are pertinent to be considered in both the sections. According to the registrar, the appellant's acceptance was withdrawn because it was given in 'error' for being opposed under s 10(1)(c), (d) and (e) of the Trade Marks Act 1976.

[28] Section 10(1) of the Act provides:

> (1) In order for a trademark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:

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(a) the name of an individual, company or firm represented in a special or particular manner;

(b) the signature of the applicant for registration or of some predecessor in his business;

(c) an invented word or words;

(d) a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or

(e) any other distinctive mark.

[29] Under s 10(1), a trademark is registrable if it contain or consist of at least any one of the prescribed particulars. Particulars under s 10(1)(a) and (b) are clearly and admittedly irrelevant to the appellant's application. The registrar is saying that the appellant's application did not fall under any one of the particulars in paras (c), (d) and (e) of the same section, despite the fact that the application had been formally accepted by the registrar long before that. In effect, the registrar was of the view that the appellant's application did not fall under any one of the particulars under s 10(1) of the Act.

INVENTED WORDS

[30] The registrar had at pp 7–8 of its refusal decision dealt with the objection that the appellant's trademark 'HIGH TEMP RED' is not an invented word. In essence what the registrar is saying is that the appellant's trademark individually and in combination are common English words, and therefore not invented.

[31] In the case of *Bata Ltd v Sim Ah Ba @ Sim Teng Khor & Ors (Trading as Kheng Aik Trading)* [2006] 6 MLJ 445; [2006] MLJU 237, the Court of Appeal quoted the decision of *Philippart's Trade Mark* (1908) 25 RPC 565 which says:

> … it must be a word having no meaning or no obvious meaning until one has been assigned to it.

[32] In the present case the appellant's trademark 'HIGH TEMP RED' is considered as one word, one singular trademark as this is what the appellant wanted it to be protected. The appellant does not need to protect the individual word or the individual component of the mark. Rather, protection is sought for the 3-in-1 singular mark. The appellant has assigned the meaning to its mark 'HIGH TEMP RED', namely as its trademark.

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[33] It must be realised and understood that 'HIGH TEMP RED' does not have any meaning as one singular mark. Nothing is known for 'HIGH TEMP RED' except that it is being used as a trademark for the appellant's goods and business. A search in any dictionary would reveal that 'HIGH TEMP RED' as one singular mark bears no meaning. In fact, as a singular mark it does not exist.

[34] The court in the case of *Eastman Photographic Materials Company v Comptroller-General of Patents, Designs and Trade Marks* (1898) 15 RPC 476 stated that a combination of two English words is not an invented word not because they are simply English words but rather because it should not 'deprives the rest of the community of the right to employ that word for purposes of describing the character or quality of the goods'. The House of Lords in that case went on to say that an invented word 'can have a meaning'. In that case, the court also held:

> At the same time, I am not prepared to go so far as to say that a combination of words … so little known in this country, that it would suggest no meaning except to a few scholars, might not be regarded as an invented word. It is in this respect that I desire to qualify my assent to … proposition that an invented word can never have a meaning.

[35] What this means is that an invented word can have a meaning as long as the meaning is not obvious and does not deprive members of the trade from using it to describe the character or quality of the goods.

[36] The true proposition in the *Eastman Photographic*'s case is further explained as follows:

> ... it seems to me that it is no objection … that it may contain a covert and skilful allusion to the character or quality of the goods — I do not think that it is necessary that it should be wholly meaningless.
>
> … two meanings packed up into one word. No one would say that they were not invented words. Still, they contain a meaning — a meaning is wrapped up in them if you can only find it out … There is little danger of the apprehended mischief if invention is required as a condition of registration. After all, invention is not so very common.

[37] Therefore, an application may be allowed under the law to have some meaning in its mark and that meaning is acceptable if it is a covert and skilful allusion to the character or quality of the goods. What this means is that the meaning of the mark is not so obvious to the character or quality of the goods. If the trademark has an indirect meaning (covert and skilful allusion) it is permissible.

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[38] In the present case, it is not disputed that for the past ten years, there is no one in the silicone industry ever wanted to use, without improper motive, the appellant's trademark or even a mark that is similar to it. There is no evidence that anyone ever wanted or desired to use the appellant's mark (except the appellant) or even a similar mark. Not even a single trademark application was ever filed. The appellant's trademark (as a singular trademark) is uncommon. Therefore, it is conclusive that the registration of the appellant's mark had not deprived other members of the trade from using the same mark as the appellant. Also, the appellant's mark 'HIGH TEMP RED' does not describe, directly or indirectly, any character or quality of a silicone.

[39] In relation to 'invented word' of the appellant's trademark, the registrar said:

> Orang awam dengan mudah boleh memahami keseluruhan kepada kombinasi perkataan-perkataan tersebut membawa maksud berkaitan dengan kualiti barang-barang yang dipohon.

[40] The registrar is suggesting that the words in question describe the character or quality of the goods in question. The registrar was being over-cautious. This is because no ordinary members of the public would ever think, for a second, that 'HIGH TEMP RED' means silicone. The ordinary person would never find out what 'HIGH TEMP RED' means because it does not exist as a word or a singular mark.

[41] The ordinary person in the street would never know or understand that 'HIGH TEMP RED' means silicone for a gasket, cork, felt and asbestos. It would take a 'mental gymnastics' and even a 'technical scientific lab research' to find out the meaning or character or quality of a silicone. Even if they do so, which is impossible, they will still not find out the meaning of 'HIGH TEMP RED' as referring to silicone for a gasket, cork, felt and asbestos.

[42] The obvious conclusion one can safely and logically made in the circumstances is that the appellant's trademark 'HIGH TEMP RED', at most, is a covert and skilful allusion which is permissible in law as described by the House of Lords in *Eastman Photograpic*'s case.

[43] As pointed out in the case of *'Scotsman' Trade Mark* [1965] RPC 358 at p 361:

> The registrar's decision rests upon a very narrow proposition … It should be explained that one is concerned to have regard only to some definite indication or suggestion conveyed by the word in question... A figurative or fanciful suggestion, which the public would accept as such and no more, would not be objectionable.

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[44] On the facts of the present case, the appellant's trademark 'HIGH TEMPT RED' at most is a figurative or fanciful suggestion which is not objectionable. There is no definite indication that the appellant's mark indicates a silicone for a gasket, cork, felt and asbestos. Therefore the registration of the appellant's trademark is not objectionable.

[45] By reason of the above, the court is satisfied that the appellant's trademark is an invented word/mark and this may be registrable as a trademark under s 10(1)(c) of the Act.

DIRECT REFERENCE TO CHARACTER OR QUALITY OF THE GOODS

[46] As stated in s 10(1)(d) of the Act a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname may be registrable as a trademark. The effect is that a word may be so registrable if it has indirect (as opposed to 'direct') reference to the character or quality of the goods.

[47] In *'Scotsman' Trade Mark* [1965] RPC 358, a mark having 'figurative and fanciful' suggestion was considered to be having indirect reference to the character or quality of the goods and therefore was held to be permissible for registration. Likewise, in *Eastman Photographic*, the House of Lords accepted that a mark may have a 'covert and skilful allusion' and this may have an indirect reference to the character or quality of the goods and therefore permissible for registration.

[48] In the present case, the court in of the view that if at all there is any reference in the appellant's trademark, it is permissible because the mark is figurative, fanciful, covert and a skilful allusion. For an ordinary member of the public being ordinary man in the street, the appellant's trademark 'HIGH TEMP RED' is not obvious and does not connote any meaning in relation to the appellant's goods (silicone for a gasket, cork, felt and asbestos).

[49] As admitted by the registrar if an ordinary man in the street institutes a search for a meaning of the mark this necessarily implies that the mark or words do not possess a direct reference to the character or quality of the goods in question. The same proposition was adopted in the case of *Mark Foy's Limited v Davies Coop and Co Ltd (Tub Happy case)* (1956) CLR 90 where it was held:

> Indeed to institute a search for a meaning almost necessarily implies at it ordinary English speech the words do not possess a connotation sufficiently definite to amount to a direct reference to character or quality of the goods.

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[50] The registrar himself by conducting a search in *Meriam-Webster Online Dictionary* in an unconventional way by going online, which an ordinary man in the street would not do, would necessarily implies that the appellant's mark does not possess a direct reference to the character and quality of the goods in question.

[51] The registrar had said that his dictionary search reveals 'HIGH TEMP RED' means 'of greater degree, amount, cost, value or content more than average, usual, expected, temperature, heater to redness'. However, the registrar failed to appreciate that the reference or meaning of the mark must relate to the character or quality of the goods namely silicone for a gasket, cork, felt and asbestos and not any meaning which has no relevance or connection to the said goods. The registrar's meaning absolutely has no reference to the said goods.

[52] The registrar had taken an over-presumptuous and over-cautious approach based on a wrong and narrow proposition of the appellant's trademark.

[53] The registrar was wrong when he presumed that people in the industry know that gasket made from silicone 'mempunyai kelebihan kerana silicon merupakan bahan yang mempunyai ketahanan tahap suhu yang tinggi'. There is no evidence shown by the registrar to this effect. There was no lab report or any journal report or any evidence to show that silicone has high temperature tolerance or to what degree is the temperature and whether the silicone become 'RED' or whether 'TEMP' means temperature or whether 'HIGH TEMP' means high temperature or whether 'HIGH TEMP RED' means silicons for gasket, cork, felt and asbestos.

[54] By reason of the above, the court in satisfied that appellant's trade mark 'HIGH TEMP RED' has no direct reference to the character or quality of the goods and should be permissible for registration under s 10(1)(d) of the Act.

DISTINCTIVENESS

[55] Under s 10(1)(e) of the Act, 'any other distinctive mark' may also be registrable as a trade mark. Section 10(2A) and (2B) of the Act may throw some lights on this issue of distinctiveness. Section 10(2A) and (2B), provide:

> (2A) For the purposes of this section, 'distinctive', in relation to the trade mark registered or proposed to be registered in respect of goods or services, means the trademark must be capable of distinguishing

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goods or services with which the proprietor of the trade mark is or may be connected in the course of trade from goods or services in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered, subject to conditions, amendments, modifications or limitations, in relation to use within the extent of the registration.

(2B) In determining whether a trade mark is capable of distinguishing as aforesaid, regard may be had to the extent to which:

(a) the trademark is inherently capable of distinguishing as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.

[56] In this case, in rejecting the appellant's application the registrar was of the view that the appellant trademark was not distinctive; and therefore not registrable.

[57] The court finds otherwise. The appellant had never used its trade mark to describe its goods. The words used are not descriptive in nature that relates to the goods in question. In coming to its conclusion on this issue, the registrar had broken up the appellant's mark into its individual and separate component namely 'HIGH', 'TEMP' and 'RED', when the registrar was supposed to consider the mark 'HIGH TEMPT RED' in one singular fashion and as one singular word as applied by the appellant.

[58] In the matter of *An application by the Diamond T Motor Company to (Register A Trade Mark (Diamond T case)* (1921) 38 RPC 373, the court clearly stated that the correct test is as follows:

> ... in order to ascertain whether the applicant's mark is registrable trademark, the sole question to be determined is whether it is adapted to distinguish the vehicles of the applicants from those of other manufactures, and in determining this question it is, in my judgment, immaterial to consider whether any of its component parts are or are not registrable by themselves under paras (1)–(4).
>
> Now it has often been said that it is wrong, in judging whether a combination mark is distinctive or not, to dissect the mark, and to show that each of its component parts is not distinctive in itself and then, as the result of this process to conclude that the mark as a whole is not distinctive.

[59] What the registrar had done is exactly what is prohibited. The registrar had broken up or dissected the appellant's mark into its individual

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component or part as 'HIGH', 'TEMP' and 'RED' separately rather than assessing the mark as 'HIGH TEMP RED' as one singular mark.

[60] The registrar had said that the appellant's mark is not distinctive because 'HIGH' on its own means something. 'TEMP' means something else and 'RED' means something else. So, by taking the individual meanings of each of the components of the appellant's mark the registrar concluded that it is not distinctive. This is obviously flaw because no members of the public at large would 'dissect' a brand into its individual component and look at the meaning of each word.

[61] The registrar did not even apply the very authority it cited namely *The matter of a Trademark of Keystone Knitting Mills, Ltd* (1928) 45 RPC 421 where the court stated:

> I think one has to look at the word which is registered, not in its strict grammatical significance, but as it would represent itself to the public at large who are to look at it and to form an opinion as to what it connotes.

[62] The registrar did just what is prohibited by looking into the 'strict grammatical significance of the mark' by breaking up the individual components of the mark and finds the grammatical significance of the mark. The registrar should look at what ordinary members of the public at large would see the whole mark in one singular word.

[63] The undisputed fact is that the appellant is the person who coined or created its trademark. The appellant had been using the mark since 1999 until now (ten years). Sales reached millions of ringgit. No one in the public or in the relevant industry or trade ever use or desire to use the same mark. No one has ever filed or registered any trademark that is identical or even similar to it. There is no likelihood of anyone wanting to use the same or similar mark like the appellant. There was no complaint received by the appellant over this course of trade from anyone, without improper motive, be it from the public at large or from the trade/industry, that its mark is descriptive of anything. Only the appellant had used its mark for the past 10 years. The registrar in fact had accepted the appellant's mark as distinctive in another trademark registration (02005833). The appellant's mark singularly has no meaning other than as a trademark.

[64] The appellant's mark is therefore distinctive of the appellant. It does not describe its goods. It is not descriptive in any trademark sense. It is peculiar and odd. It is a rare if not an uncommon mark. There was no evidence adduced by the registrar to show that the mark was commonly used or can be understood by the public at large as descriptive of silicone for

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asbestos, cork, gasket or felt. The appellant's mark is distinctive. It has no direct or obvious meaning when applied on the goods in question.

[65] By reason of the above, the court finds that the appellant's mark is distinctive and therefore registrable under s 10(1)(e) of the Act.

THE APPELLANT'S EXISTING REGISTERED TRADEMARK

[66] It must also be noted that the appellant has an existing trademark registration for the same trademark 'HIGH TEMP RED' for related goods in Class 1 'for epoxy glues and silicone for general bonding and repair purposes'. This trademark had been earlier registered by the registrar and is numbered: 02005833. This is admitted by the registrar. However, the registrar claimed that he is not bound by his earlier findings or decision.

[67] The registrar's decision on this issue is based on the case of *In re Garrett's application to register a trade mark* [1916] 1 Ch 436. However, this court is of the view that the general statement in that case cannot be taken arbitrarily in a blanket fashion, as every exercise of discretion is subjected to judicial principles and reasonableness, based on the facts of a particular case. Each case has its own peculiarity. The circumstances and authorities in one case may differ from another particularly when that one case (*Re Garett*) was decided long ago in 1916. Commercial realities in 1916 may differ from the present one.

[68] On the same issue, this court is more inclined to agree with and to accept the decision of Nik Hashim J (now FJ) in the case of *Elba Group Sdn Bhd v Pendaftar Cap Dagangan dan Paten Malaysia* [1998] 4 MLJ 105; [1998] 4 CLJ Supp 24, when the learned judge said:

> At this juncture, it is very pertinent to note that the appellant is already clothed with proprietorship of its distinctive trademark ... I agree with the appellant that the registrar had either overlooked this fact or disregarded it altogether when he made the decision to reject ... As the ... Registrar of Trade Marks, it is within his knowledge to know of the existence of the already registered trademark ... and to take into account when considering the opposition ... is thus relevant to be taken into account consideration by the registrar. Thus, failure to consider this relevant mark would therefore render the registrar's decision irrational. Hence, for these reason, I hold the registrar's refusal to register ... is unjustified and indeed erroneous in law, for which this court is obliged to interfere.

[69] The above decision is more applicable to the present case because the registrar had already accepted (in 2002) that the appellant's trademark was indeed distinctive, inventive and had no direct reference to the character or quality of the goods (silicone). This fact is therefore relevant and significant.

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The registrar had summarily dismissed the fact that the appellant has already secured registration and proprietorship of its trade mark 'HIGH TEMP RED' via its registered trademark No 02005833. This would render the registrar's refusal to register the appellant's registration of its current trademark irrational and the court is obliged to interfere to rectify this mistake.

[70] In addition, the registrar himself recognised the importance of being consistent with its decision in registration of trademarks. The registrar then attempted to justify his leaving of established practice of consistency on the ground that the appellant's trade mark 'HIGH TEMP RED' is 'common property'. However, this is inconsistent with the fact that the registrar had already registered the same mark 'HIGH TEMP RED' via Trademark Registration No 02005833 in favour of the same appellant in Class 1. This means the registrar has already accepted and granted exclusive proprietorship in the 'HIGH TEMP RED' mark to the appellant and therefore there is no question of it being 'common property'.

[71] Further, there is complete absence of evidence to show that anyone would want to use, without improper motive, the same trademark 'HIGH TEMP RED' in the relevant trade as the appellant. The appellant has been using 'HIGH TEMP RED' since 1999 until today. For the past 10 years, no one in the trade or industry of any member of the public had ever used or intended to use, without improper motive, the same mark as the appellant. If there was such an intention to use or actual use or even likelihood of use, these users would have at least filed a similar (if not identical) trademark for registration. However, there was none, no one filed anything except the appellant for the past ten years.

[72] Therefore, the registrar should not act (by his refusal) without evidence as this contravenes the judicial principles that decisions are to be made on supporting evidence.

[73] The registrar had cited the principle as highlighted in the case of *W and G Du Cross Ltd Application* (1913) 30 RPC 660 and *Smith Kline and French Laboratories Ltd v Sterling-Winthrop Group Ltd* [1976] RPC 511, which in summary, is as follows:

> The appellants' chance of success in this respect must, I think, largely depend upon whether others are likely, in ordinary course of their business and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods.

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[74] This court must also stress that for the above principle to be applied there must be some supporting evidence.

[75] The registrar should adduce evidence that it is 'common' for traders in the same industry to use the appellant's trademark 'HIGH TEMP RED'. This can be done by the registrar either by adducing similar trademark registered or application filed by other traders in the same industry/trade or by showing some evidentiary materials that it is commonly used in the trade. However, the registrar did not show any such evidence.

[76] Logically and by parity of reasoning, if the mark is 'likely' to be used by others, it would be easy to show some evidence that other traders have adopted an identical mark or at least a similar mark to the appellant's trademark by way of filing a trademark application but there was none.

[77] In the often quoted and fame trademark case of *Diamond T* case, the court was faced with same objection raised by the registrar of trademarks against the registration of the trademark 'Diamond T'. The same consideration was ventilated in that the court was to decide whether it is likely that other traders would want to use the same mark or similar mark in the trade. The court at pp 382 and 383 correctly judged that:

> There is not other 'Diamond T' mark at present in the trade, and I do not consider that traders are likely hereafter, in the ordinary course of business and without any improper motive, to desire to use a 'Diamond T' mark …
>
> 'In my opinion this objection cannot be sustained. In the first place there was no evidence before the registrar, nor is there any evidence before me, of the practice which the registrar states to be 'very common'.

[78] As such, for the registrar to apply the above principle across the board for all objections, on the facts of the present case, without any relevant evidence would be erroneous. Perhaps, the registrar had acted over cautiously in respect of the appellant's application. The discretion must be exercised upon judicial principles and affected neither by caprice nor over caution.

CONCLUSION

[79] The registrar should maintain consistency and certainty in his decision. Arbitrary decision, over-presumptuous and over-cautious assessment would not enable businessman and members of the public at large to conduct their business with confidence. The registrar had on so many occasions permitted ordinary English words (and their combination) to be registered as trademarks such as 'Supercool' (Super and Cools), 'Goodway' (Good and Way), 'Formshield' (Form and Shield), 'Oceanstone' (Ocean and

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Stone), 'High Speed' (High and Speed), 'Megaspiral' (Mega and Spiral), 'Clean & Science', 'Ero-Cart' (Eco and Cart), 'Green Stripe' (Green and Stripe), 'Magicare' (Magic and Care), 'Sun-Media' (Sun and Media), 'Sheetrock' (Sheet and Rock), 'Hydro-clean' (Hydro and Clean) and 'Slimduct' (Slim and Duct). In fact, a search in any trademark gazette would reveal almost 50–60% of all trademarks gazetted for registration and approved by the registrar consisted of ordinary English words and their combination.

[80] If the appellant's current trademark application for 'HIGH TEMP RED' which had already been registered in another trademark registration to the appellant, is refused for registration, it would set an unhealthy precedent, arbitrariness and create more uncertainties and inconsistencies. This particular refusal by the registrar of the appellant's current trademark ought to be corrected on the facts of this case.

[81] It is trite law and accepted by the registrar that a trademark need only satisfies one of the requirements of s 10(1) of the Trade Marks Act 1976. The appellant's mark has satisfied that it is an invented mark (s 10(1)(c) of the Act) and/or having no direct reference to the character (s 10(1)(d) of the Act) or quality of the goods and/or is a distinctive mark (s 10(1)(e) of the Act). Therefore the said trademark is registrable under any of the above provision of the Act.

[82] The court therefore allows the appellant's appeal (encl 1), with no order as to costs.

Appellant's appeal allowed with no order as to costs.

Reported by Kanesh Sundrum